

ASSEMBLY BILL

No. 2503

Introduced by Assembly Member Norby

February 24, 2012

An act to amend Sections 82030 and 87100 of the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 2503, as introduced, Norby. Political Reform Act of 1974.

Existing law, the Political Reform Act of 1974, prohibits a public official at any level of state or local government from making, participating in making, or in any way attempting to use his or her official position to influence a governmental decision in which he or she knows or has reason to know he or she has a financial interest. Existing law states that a public official has a financial interest in a decision if it is reasonably foreseeable that the decision will have a material financial effect on, among other things, any source of income, as defined, of the official aggregating \$500 or more received by the official within 12 months prior to the time the decision is made.

This bill would make nonsubstantive changes to those provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 82030 of the Government Code is
- 2 amended to read:
- 3 82030. (a) "Income" means, except as provided in subdivision
- 4 (b), a payment received, including, but not limited to, any salary,

1 wage, advance, dividend, interest, rent, proceeds from any sale,
2 gift, including any gift of food or beverage, loan, forgiveness or
3 payment of indebtedness received by the filer, reimbursement for
4 expenses, per diem, or contribution to an insurance or pension
5 program paid by any person other than an employer, and including
6 any community property interest in the income of a spouse. Income
7 also includes an outstanding loan. Income of an individual also
8 includes a pro rata share of any income of any business entity or
9 trust in which the individual or spouse owns, directly, indirectly,
10 or beneficially, a 10-percent interest or greater. "Income," other
11 than a gift, does not include income received from any source
12 outside the jurisdiction and not doing business within the
13 jurisdiction, not planning to do business within the jurisdiction,
14 or not having done business within the jurisdiction during the two
15 years prior to the time any statement or other action is required
16 under this title.

17 (b) "Income" also does not include:

18 (1) Campaign contributions required to be reported under
19 Chapter 4 (commencing with Section 84100).

20 (2) Salary and reimbursement for expenses or per diem, and
21 social security, disability, or other similar benefit payments
22 received from a state, local, or federal government agency and
23 reimbursement for travel expenses and per diem received from a
24 bona fide nonprofit entity exempt from taxation under Section
25 501(c)(3) of the Internal Revenue Code.

26 (3) Any devise or inheritance.

27 (4) Interest, dividends, or premiums on a time or demand deposit
28 in a financial institution, shares in a credit union or any insurance
29 policy, payments received under any insurance policy, or any bond
30 or other debt instrument issued by any government or government
31 agency.

32 (5) Dividends, interest, or any other return on a security ~~which~~
33 *that* is registered with the Securities and Exchange Commission
34 of the United States government or a commodity future registered
35 with the Commodity Futures Trading Commission of the United
36 States government, except proceeds from the sale of these securities
37 and commodities futures.

38 (6) Redemption of a mutual fund.

39 (7) Alimony or child support payments.

1 (8) Any loan or loans from a commercial lending institution
2 ~~which~~ *that* are made in the lender's regular course of business on
3 terms available to members of the public without regard to official
4 status.

5 (9) Any loan from or payments received on a loan made to an
6 individual's spouse, child, parent, grandparent, grandchild, brother,
7 sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece,
8 uncle, aunt, or first cousin, or the spouse of any such person,
9 provided that a loan or loan payment received from any such person
10 shall be considered income if he or she is acting as an agent or
11 intermediary for any person not covered by this paragraph.

12 (10) Any indebtedness created as part of a retail installment or
13 credit card transaction if made in the lender's regular course of
14 business on terms available to members of the public without
15 regard to official status.

16 (11) Payments received under a defined benefit pension plan
17 qualified under ~~Internal Revenue Code~~ Section 401(a) *of the*
18 *Internal Revenue Code*.

19 (12) Proceeds from the sale of securities registered with the
20 Securities and Exchange Commission of the United States
21 government or from the sale of commodities futures registered
22 with the Commodity Futures Trading Commission of the United
23 States government if the filer sells the securities or the commodities
24 futures on a stock or commodities exchange and does not know
25 or have reason to know the identity of the purchaser.

26 SEC. 2. Section 87100 of the Government Code is amended
27 to read:

28 87100. No public official at any level of state or local
29 government shall make, participate in making, or in any way
30 attempt to use his *or her* official position to influence a
31 governmental decision in which he *or she* knows or has reason to
32 know he *or she* has a financial interest.